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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING

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February 6, 1981

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#0367376

REGISTERED - RETURN RECEIPT REQUESTED

Mrs. Phyllis Cortez  
SUM Mining Company  
2049 Murphy Lane  
Moab, Utah 84523

RE: Oljeto (Chum) Mine  
ACT/037/029  
San Juan County, Utah

Dear Mrs. Cortez:

Enclosed is the Mining and Reclamation Plan which was originally filed by Kelmine Corporation for the Oljeto Mine. These may be helpful in filing a permit application for the Chum Mine, if you have not already completed MR Forms 1, 2 and 8.

As explained during the site inspection by Wayne Hedberg and Mary Ann Wright on January 7, 1981, there are a number of items pertinent to this operation which must be addressed in filing for a mining permit with this Division. They are explained as follows:

1. An EPA-NPDES discharge permit must be obtained for discharging water from the mine.

2. Sum Company must implement immediate temporary measures to control and contain the mine water discharge (i.e., within mine, if possible, or in a temporary surface impoundment, etc.) prior to the approval and implementation of permanent plans to handle the discharge properly. The Divisions of State Health, and Oil, Gas and Mining must be notified and approve the proposed temporary measures prior to initiation. (A phone call is usually an acceptable preliminary measure in emergency situations).

Information to be provided must include:

- a. The location of the structure (preferably by map),
- b. The volume of mine water discharge pumped each day,
- c. The size of the impounding structure,



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- d. The time schedule for implementation of said, structure, and
- e. Reclamation plans for the temporary impoundment upon abandonment and concurrent utilization of a permanent facility.

The Division of State Health has been notified of the situation and has completed an analysis of the mine water discharge from a sample taken by the Division during the January site visit. A copy of the analytical results is enclosed for your information.

3. Detailed plans for permanent control and/or treatment of the mine water discharge must be submitted to the Divisions of State Health; Oil, Gas and Mining; and Dam Safety for approval prior to initiating any type of construction activities.

4. Plans must be provided detailing the procedures for the removal and suitable relocation of the waste rock material which was improperly obstructing the wash, adjacent to the portal entrance. The location for present and future waste rock materials, along with all other surface facilities, must be depicted on a topographic map at a minimum scale of 1" = 200 feet (see item 6).

5. Plans for general clean-up of the area, both immediate and upon final reclamation must be provided. All trash, debris, structures or extraneous materials must be removed upon final reclamation. Burying on-site is not acceptable.

6. A map must be submitted indicating and outlining all currently disturbed areas and areas of projected disturbance, area's use (waste disposal sites, stream diversions, portal pads, parking areas, access roads, settling and/or treatment ponds, pumping and discharge pits, equipment storage areas, buildings, etc.) on a topographic map of a 1" = 200 feet minimum scale.

The Board of Oil, Gas and Mining at its January hearing, after being informed by the Division staff of the problems at the site, passed a motion to issue an Emergency Cessation Order (pending the water analysis results) and an Order to Show Cause. These orders are presently being issued under separate cover and will require the presence of a SUM Company representative to be present at the Board's February hearing on the 26th of this month. It would be to SUM Company's advantage to submit a mine plan on or before that date to avoid initiation of further legal action.

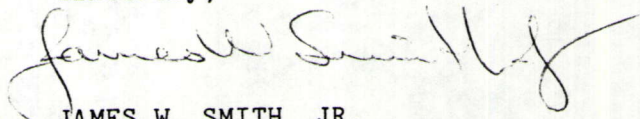


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At that same hearing, the Board voted to accept Plateau Resources' bond, held by the Division of State Lands, as currently acceptable surety for the Chum Mine.

If I can answer any questions which may arise, please feel free to call.

Sincerely,

A handwritten signature in cursive script, appearing to read "James W. Smith, Jr.", written in dark ink.

JAMES W. SMITH, JR.  
COORDINATOR OF MINED LAND DEVELOPMENT

JWS/te

Enclosures

cc: State Health  
State Lands